GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1087
ANSWERED ON:07.03.2002
KARNATAKA INFRASTRUCTURE DEVELOPMENT COMPANY
R.L. JALAPPA

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Union Government have signed a Memorandumof Understanding with the Karnataka Government for floatingthe Karnataka Rail Infrastructure Development Company;

(b) if so, the details thereof;

(c) the percentage of funds agreed by the Government for floating the said company;

(d) whether the Government have released its share; and

(e) the time by which the said company is likely to be made functional?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINIST RAILWAYS (SHRI O. RAJAGOPAL)

(a) to (e): A statement is attached.

STATEMENTREFERREDTO IN REPLY TOPARTS (a) TO (e) OF UNSTARREDQUESTION NO. 1087 BY SHRI R.L. JALAPPA T OBE ANSWERED IN LOKSABHA ON 07.03.2002REGARDINGKARNATAKA INFRASTRUCTURE DEVELOPME COMPANY

(a) to (e): Yes, Sir. A Memorandum of Understanding was signed with the Government of Karnataka for formationof a Joint Venture for execution of following projects.

1. Hubli-Ankola New Line

2. Solapur-Gadag Gauge Conversion

3. Hassan-Mangalore Gauge Conversion

4. Guntakal-Hospet Doubling

As per the terms of the MOU, theauthorised share capital of the joint venture will initially be Rs. 60 Crores. The subscription to equity of the joint venture by the parties as per Memorandum of Understanding is as under:

Government of Karnataka	26%
Ministry of Railways	26%
Financial Institutions/Banks/Others etc.	48%

Subsequently, the scheme has undergone a change. It is now proposed to form a project implementation company K- RIDE.K-RIDE will implement the four identified projects either by floating separate SPV or making any other financial arrangement.

Necessary approvals for formation of a joint venture company K-RIDE with initial equity share of50:50 between Ministry of Railways and Government of Karnataka are being obtained.